

**ASSEMBLY BILL**

**No. 1087**

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**Introduced by Assembly Members Torres and Mitchell**

February 22, 2013

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An act to amend Section 14180 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1087, as introduced, Torres. Medi-Cal: California's Bridge to Reform Demonstration.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires the department to seek a demonstration project or federal waiver of Medicaid law to implement specified objectives, which may include better care coordination for seniors, persons with disabilities, and children with special health care needs.

This bill would make a technical, nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14180 of the Welfare and Institutions
- 2 Code is amended to read:

1 14180. (a) The department shall submit an application to the  
2 federal Centers for Medicare and Medicaid Services for a waiver  
3 or a demonstration project to implement all of the following:

4 (1) Strengthen California's health care safety net, which includes  
5 disproportionate share hospitals, for low-income and vulnerable  
6 Californians.

7 (2) Maximize opportunities to reduce the number of uninsured  
8 individuals.

9 (3) Optimize opportunities to increase federal financial  
10 participation and maximize financial resources to address  
11 uncompensated care.

12 (4) Promote long-term, efficient, and effective use of state and  
13 local funds.

14 (5) Improve health care quality and outcomes.

15 (6) Promote home-and community-based care.

16 (b) The waiver or demonstration project shall include proposals  
17 to restructure the organization and delivery of services to be more  
18 responsive to the health care needs of Medi-Cal enrollees for the  
19 purpose of providing the most vulnerable Medi-Cal beneficiaries  
20 with access to better coordinated and integrated care that will  
21 improve their health outcomes, slow the long-term growth of the  
22 Medi-Cal program, and continue support for the safety net care  
23 system and the persons who rely on that system for needed care.  
24 These restructuring proposals may include, but are not limited to,  
25 the following:

26 (1) Better care coordination for seniors and persons with  
27 disabilities, dual eligibles, children with special health care needs,  
28 and persons with behavioral health conditions, which shall include  
29 the establishment of organized delivery systems that incorporate  
30 a medical home system and care and disease management, as well  
31 as incentives that reward providers and beneficiaries for achieving  
32 the desired clinical, utilization, and cost-specific outcomes.

33 (2) Improved coordination between Medicare and Medi-Cal  
34 coverage.

35 (3) Improved coordination of care for children with significant  
36 medical needs through improved integration of delivery systems  
37 and use of medical homes and specialty centers, and providing  
38 incentives for specialty and nonspecialty care.

39 (4) Improved integration of physical and behavioral health care.

1 (c) In developing the waiver or demonstration project  
2 application, the department shall consult on a regular basis with  
3 interested stakeholders and the Legislature.

4 (d) The department shall determine the form of waiver most  
5 appropriate to achieve the purposes listed in subdivision (a).

6 (e) The department shall submit the waiver or demonstration  
7 project application to the federal Centers for Medicare and  
8 Medicaid Services by a date that allows sufficient time for the  
9 waiver or demonstration project to be approved by no later than  
10 September 1, 2010, or the conclusion of any extension period  
11 granted in California's Medi-Cal Hospital/Uninsured Care Section  
12 1115(a) Medicaid Demonstration (No. 11-W-00193/9), whichever  
13 happens last.

14 (f) In order to restructure the Medi-Cal program to improve the  
15 delivery of care for specified populations and secure the maximum  
16 amount of federal financial participation allowable, any waiver or  
17 demonstration project application submitted pursuant to subdivision  
18 (a) may specify and seek authority to enroll beneficiaries into  
19 specified organized delivery systems. Subject to federal approval,  
20 the specified organized delivery systems may include the utilization  
21 of an enhanced primary care case management model, a medical  
22 home model, or managed care model. The department is authorized  
23 to enroll beneficiaries in an organized system of care subject to  
24 the conditions in Section 14181. Subject to federal approval, any  
25 waiver or demonstration project application submitted pursuant  
26 to subdivision (a) shall include processes, and accompanying  
27 criteria, by which the department will evaluate and grant  
28 exemption, on an individual basis, from this section's requirements  
29 pertaining to the mandatory enrollment of beneficiaries in specified  
30 organized delivery systems.

31 (g) (1) The department shall only implement the waiver or  
32 demonstration project upon submittal of an implementation plan,  
33 pursuant to Section 14181, to the appropriate policy and fiscal  
34 committees of the Legislature at least 60 days prior to any  
35 appropriation.

36 (2) Pursuant to paragraph (1), mandatory enrollment in any  
37 organized delivery system authorized pursuant to a waiver or  
38 demonstration project authorized pursuant to this article shall ~~only~~  
39 ~~occur when~~ *occur only after* funds necessary to support that effort  
40 have been appropriated.

1 (3) It is the intent of the Legislature to neither impede nor limit  
2 the department's existing statutory authority regarding the  
3 operation of the Medi-Cal program and its health care delivery  
4 systems by the enactment of this article.

5 (h) The director shall have the discretion to utilize state plan  
6 amendments, in whole or in part, to accomplish any or all purposes  
7 of this article. In the event the director proceeds with state plan  
8 amendments as specified, the department shall provide notification  
9 in writing to the chairperson of the Joint Legislative Budget  
10 Committee within 15 working days of that action and a brief  
11 description and purpose of the amendment. This amendment shall  
12 be made available to the Joint Legislative Budget Committee upon  
13 the request of the chairperson.